

**TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE**



FISCAL NOTE

HB 2766 - SB 2688

February 15, 2010

SUMMARY OF BILL: Eliminates the June 30, 2011, termination date for negotiated fuel price stabilization contracts of municipal governments. Limits the term of any such contract to 24 months.

ESTIMATED FISCAL IMPACT:

Decrease Local Expenditures – Exceeds \$25,000/FY11-12 and Subsequent Years/Permissive

Assumptions:

- Municipal governments will realize fuel cost savings due to economies of scale by entering into negotiated contracts for fuel purchases. The savings cannot reasonably be quantified due to multiple unknown factors including future fuel prices, the amount of fuel involved, and other contract terms, but are estimated to exceed \$25,000.
- Eliminating the sunset date from current law will enable municipalities to realize these savings in FY11-12 and future years.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in cursive script, reading "James W. White".

James W. White, Executive Director

/jww

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